WHAT IS CLAIMED IS:

- 1. A method of quality-improvement of a digitally-encoded video sequence, wherein the video sequence comprises information representing a sequence of encoded frames, each encoded frame comprising one or more encoded macroblocks, the method comprising:
 - determining one or more processing capabilities of a decoder that will decode the video sequence;

encoding macroblocks of a first image;

- encoding macroblocks of subsequent images, wherein some macroblocks are skipped; and
- increasing video quality as a function of a fraction of macroblocks that are skipped to take advantage of decoder processing capability that would otherwise be unused as a result of the skipped macroblocks.
- 2. The method of claim 1 wherein the step of determining one or more processing capabilities of a decoder comprises having prior knowledge of the decoder type
- 3. The method of claim 1 wherein the step of determining one or more processing capabilities of the decoder comprises receiving processing capability information from the decoder.
- 4. The method of claim 1 wherein the step of determining one or more processing capabilities of the decoder comprises determining the number of macroblocks that can be decoded in a given interval if all macroblocks are skipped.

5. The method of claim 4 wherein the step of increasing video quality comprises determining the maximum frame rate in accordance with the following expression:

$$MaxFrameRate = \frac{1}{\frac{N_{coded}}{MaxMBPS} + \frac{N_{skipped}}{MaxSKIPPED}}$$

where N_{coded} is the number of coded macroblocks per frame, $N_{skipped}$ is the number of skipped macroblocks per frame, MaxMBPS is the maximum number of macroblocks that can be decoded in a given interval, and MaxSKIPPED is the maximum number of macroblocks that can be decoded in a given interval if all macroblocks are skipped.

- 6. The method of claim 1 wherein the step of increasing video quality comprises increasing a video frame rate.
- 7. The method of claim 1 wherein the step of increasing video quality comprises increasing a video picture size.
- 8. The method of claim 1 wherein the step of increasing video quality further comprises increasing a video frame rate as a function of a computational cost of the decoder to decode various types of macroblocks.
- 9. The method of claim 1 wherein the step of increasing video quality further comprises increasing a video picture size as a function of a computational cost of the decoder to decode various types of macroblocks.
- 10. The method of claim 1 further comprising:
 taking account of a number of coefficients included in the encoded macroblocks and
 a computational requirement of the decoder as a function of this number.
- 11. The method of claim 10 wherein the step of increasing video quality comprises increasing a video frame rate.
- 12. The method of claim 10 wherein the step of increasing video quality comprises increasing a video picture size.

- 13. The method of claim 10 wherein the step of increasing video quality further comprises increasing a video frame rate as a function of a computational cost of the decoder to decode various types of macroblocks.
- 14. The method of claim 10 wherein the step of increasing video quality further comprises increasing a video picture size as a function of a computational cost of the decoder to decode various types of macroblocks.
- 15. A video conferencing terminal adapted to produce encoded video including a sequence of encoded frames, each encoded frame comprising one or more encoded macroblocks, the video conferencing terminal comprising:
 - one or more image processing engines adapted to encode a video signal, wherein some macroblocks are skipped; and
 - a communication interface adapted to determine one or more processing capabilities of a decoder that will decode the encoded video and further adapted to increase video quality as a function of a fraction of macroblocks that are skipped to take advantage of decoder processing capability that would otherwise be unused as a result of the skipped macroblocks.
- 16. The video conferencing terminal of claim 15 wherein the processing capability of the decoder is determined as a function the number of macroblocks that can be decoded in a given interval if all macroblocks are skipped.

17. The video conferencing terminal of claim 16 wherein a maximum frame rate is determined in accordance with the following expression:

$$\label{eq:maxFrameRate} \begin{aligned} \textit{MaxFrameRate} &= \frac{1}{\frac{N_{coded}}{\textit{MaxMBPS}}} + \frac{N_{skipped}}{\textit{MaxSKIPPED}} \end{aligned}$$

where N_{coded} is the number of coded macroblocks per frame, N_{skipped} is the number of skipped macroblocks per frame, MaxMBPS is the maximum number of macroblocks that can be decoded in a given interval, and MaxSKIPPED is the maximum number of macroblocks that can be decoded in a given interval if all macroblocks are skipped.

- 18. The video conferencing terminal of claim 15 wherein video quality is increased by increasing a frame rate.
- 19. The video conferencing terminal of claim 15 wherein video quality is increased by increasing an picture size.
- 20. The video conferencing terminal of claim 18 wherein the frame rate is further determined as a function of a computational cost of the decoder to decode various types of macroblocks.
- 21. The video conferencing terminal of claim 19 wherein the picture size is further determined as a function of a computational cost of the decoder to decode various types of macroblocks.
- 22. A method of quality-improvement of a digitally-encoded video sequence, the method comprising:
 - determining one or more processing capabilities of a decoder that will decode the video sequence; and
 - increasing video quality as a function of an encoder model of decoder processing load to take advantage of decoder processing capability that would otherwise be unused.

- 23. The method of claim 22 wherein the step of determining one or more processing capabilities of a decoder comprises having prior knowledge of the decoder type.
- 24. The method of claim 22 wherein the step of determining one or more processing capabilities of the decoder comprises receiving processing capability information from the decoder.
- 25. The method of claim 22 wherein the step of increasing video quality comprises increasing a video frame rate.
- 26. The method of claim 22 wherein the step of increasing video quality comprises increasing a video picture size.
- 27. A video encoder for generating an encoded video sequence, comprising: one or more image processing engines adapted to:

encode a video signal;

- determine one or more processing capabilities of a decoder that will decode the encoded video sequence; and
- increase video quality as a function of an encoder model of decoder processing load to take advantage of decoder processing capability that would otherwise be unused.
- 28. The video encoder of claim 27 wherein the processing capabilities of the decoder are determined as a function a number of macroblocks that can be decoded in a given interval if all macroblocks are skipped.

29. The video encoder of claim 28 wherein a maximum frame rate is determined in accordance with the following expression:

$$MaxFrameRate = \frac{1}{\frac{N_{coded}}{MaxMBPS} + \frac{N_{skipped}}{MaxSKIPPED}}$$

where N_{coded} is the number of coded macroblocks per frame, $N_{skipped}$ is the number of skipped macroblocks per frame, MaxMBPS is the maximum number of macroblocks that can be decoded in a given interval, and MaxSKIPPED is the maximum number of macroblocks that can be decoded in a given interval if all macroblocks are skipped.

- 30. The video encoder of claim 27 wherein video quality is increased by increasing a frame rate.
- 31. The video encoder of claim 27 wherein video quality is increased by increasing an picture size.
- 32. The video encoder of claim 30 wherein the frame rate is further determined as a function of a computational cost of the decoder to decode various types of macroblocks.
- 33. The video encoder of claim 31 wherein the picture size is further determined as a function of a computational cost of the decoder to decode various types of macroblocks.